

DOLLARS & SENSE A PROCUREMENT PERSPECTIVE

**FORT BRAGG, NORTH CAROLINA
Jul/Sep 01 BULLETIN NO. 01-03**

“GREENING” THE GOVERNMENT?

Recycling, Energy Efficiency, Water Conservation, and Pollution Prevention

are all objectives of environmentally preferred, environmentally responsible or environmentally sound procurement or purchasing.

Since 1976, the Resource Conservation and Recovery Act (RCRA) has required Federal agencies to develop affirmative procurement programs that include preference for recovered materials; intra-agency promotions of awareness; estimates and verifications of total percentage of recovered material used in performance of a contract; and an annual affirmative procurement effectiveness review. Executive Order 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition, expands and strengthens the Federal government's commitment to recycling and buying recycled content and environmentally preferable products, including bio-based products.

Affirmative Procurement Program

(APP) is the name given to this “buy-recycled” program. The intent of the program is to stimulate recycling by providing a market for new products manufactured with recycled materials. An AP program ensures the purchase of *guideline items* as designated by the Environmental Protection Agency (EPA)

and as listed in their Comprehensive Procurement Guidelines (CPG) document.

What is EPP?

Environmentally Preferable Purchasing (EPP) is a federal-wide EPA program that encourages and assists Executive agencies in the purchasing of environmentally preferable products and services.

What is “environmentally preferable?”

“... products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose...”

- Executive Order 13101

What does it mean to Buy Green?

Buying green means purchasing products or services that will reduce environmental impact. This can be achieved in a number of ways and may mean looking at product characteristics such as energy efficiency, or the pollution generated by making the product. It means focusing on packaging, waste disposal, resource use, transportation, durability, and many other issues.

“Greening” Procurement

Procurement is the cornerstone of greening operations. Whether developing an environmental management system (EMS) or just looking at ways to become more efficient and environmentally responsible, procurement must be a focus. For more information on “green” products and services, visit the EPA web site at <http://www.epa.gov/opptintr>.

PERFORMANCE- BASED SERVICE ACQUISITION (PBSA)

PBSA involves acquisition strategies, methods, and techniques that describe and communicate measurable *outcomes* rather than direct performance *processes*. It is structured around defining a service requirement in terms of performance objectives and providing contractors the latitude to determine how to meet those objectives. Simply put, it is a method for acquiring *what is required* and placing the responsibility for *how it is accomplished* on the contractor.

To be considered performance-based, an acquisition should contain, at a minimum, the following elements:

- Performance work statement - describes the requirement in terms of measurable outcomes rather than by means of prescriptive methods.
- Measurable performance standards - to determine whether performance outcomes have been met, and define what is considered acceptable performance.
- Remedies - Procedures that address how to manage performance that does not meet performance standards. While not mandatory, *incentives should be used where appropriate*, to encourage performance that will exceed performance standards. Remedies and incentives complement each other.
- Performance Assessment Plan - Describes how contractor performance will be measured and assessed against performance standards. (Quality Assurance Plan or Quality Assurance Surveillance Plan).

The PBSA Team should be a customer-focused, multi-functional team that plans and manages service contracts throughout the life of the requirement. Previously, it was common for contracting and other functional experts to work independently in acquiring services. This should be a thing of the past. It is essential that all stakeholders - users/customers, acquisition personnel, and

industry - be involved throughout the service acquisition life cycle, from the requirements analysis phase through contract award and administration.

A positive business relationship between the government and the contractor is essential in fulfilling a performance-based requirement. The agency's relationship with prospective and performing contractors should be one that promotes a strong and positive business alliance to achieve mutually beneficial goals - such as timely delivery and acceptance of high-quality services - through the use of efficient business practices. It is essential that government and industry work together as a team to communicate expectations, agree on common goals, and identify and address problems early on to achieve desirable outcomes.

"It is the policy of the Department of Defense that, in order to maximize performance, innovation and competition, often at a savings, *performance based strategies* for the acquisition of services are to be used wherever possible. While not all acquisitions for services can be conducted in a performance-based manner, the vast majority can. Those cases in which performance-based strategies are not employed should become the exception. In order to ensure that the Department continually realizes these savings and performance gains, the DoD establishes, at a minimum, that 50 percent of service acquisitions, measured in both dollars and actions, are to be performance-based by year 2005." - Under Secretary of Defense, Acquisition, Technology & Logistics (USD(AT&L)), April 5, 2000.

**COST-EFFECTIVE
(What? Where? How?)**

Random Sampling is one of five methods used by the government to inspect or evaluate contractor performance. For large, non-critical work functions, this surveillance method offers a *cost-effective* alternative for inspecting or evaluating contractor performance. Random Sampling uses a statistical relationship between a large population and a relatively small sample of that same population. The biggest advantages in using Random Sampling are:

- Fewer resources (manpower, time) are needed to inspect a sample than an entire population.
- Less inspections reduce the "inspection fatigue" associated with 100% Inspection.
- An unbiased projection of sampling results allows the Government to make a deduction across the entire population.

In other words, the Government is able to deduct more for poor performance using random sampling than with planned sampling. The trade-off in using Random Sampling is that it requires careful preparation and good documentation to support a fair and unbiased deduction.

Contracting Officer Representatives and government inspectors should review their requirements, consult with their Contract Administrators, and determine whether Random Sampling is right for them. It might be just what the DOCTOR ordered.

A FOND FAREWELL

Mr. Walter H. Warfel, Director, Installation Business Office-Contracting announced his plans to retire in August 2001. Mr. Warfel has enjoyed a distinguished 34 years of service as a Department of the Army civilian, beginning with an assignment at Anniston Army Depot (1966-1967). From 1967-1969 he was with the U.S. Army Aviation Systems Command in St. Louis, Missouri. Following this assignment, Mr. Warfel was with the U.S. Army Aviation Research and

Development Laboratory at Fort Eustis, Virginia (1969-1973), and then joined the Training and Doctrine Command PARC office from 1973-1976. Each assignment and endeavor was highlighted by noteworthy achievements.

Since 1976, Mr. Warfel has been the Director of Contracting for XVIII Airborne Corps and Fort Bragg, responsible for contracting support for XVIII Airborne Corps and the majority of the tenant commands that make Fort Bragg the sixth largest city in North Carolina. Some key tenants include the U. S. Army Special Operations Command, Joint Special Operations Command, Headquarters First ROTC Region, and Womack Army Medical Center.

He attended Armstrong College, Hampton Institute, George Washington University, and the College of William and Mary. He is a 23-year member of the National Contract Management Association and is a Certified Professional Contracts Manager.

Under Mr. Warfel's outstanding leadership, the Fort Bragg IBO-C has received the FORSCOM Installation Contracting Excellence Award for the past eleven consecutive years. The criteria for the award are based on the ability of the IBO-C to achieve customer satisfaction, use innovative programs to educate and assist customers, attract, develop, and retain high quality contractors, and adhere to regulations and sound business judgment.

Mr. Warfel enjoyed a high level of respect and confidence from the local business community, the Fort Bragg military and civilian community, Forces Command as well as the Department of the Army. He will be greatly missed by the entire contracting community.

**THIS BULLETIN IS AUTHORIZED
BY:**

//SIGNED//

SANDRA L. AMAN

Acting Director of Contracting